

BUDGETING QUIZ

1. The budgeting process starts with monitoring current spending.
☐ True
☐ False

2. Most short-term goals are based on activities over the next two or three years.
☐ True
☐ False

3. A common long-term goal may involve saving for college for parents of a new-born child.
☐ True
☐ False

4. Rent is considered a fixed expense.
☐ True
☐ False

5. Flexible expenses stay about the same each month.
☐ True
☐ False

6. The final phase of the budgeting process is to:
☐ set personal and financial goals.
☐ compare your budget to what you have actually spent.
☐ review financial progress.
☐ monitor current spending patterns.

7. An example of a long-term goal would be:
- ☐ an annual vacation.
 - ☐ saving for retirement
 - ☐ buying a used car.
 - ☐ completing college within the next six months.
8. A clearly written financial goal would be:
- ☐ To save money for college for the next five years
 - ☐ To invest in an international mutual fund for retirement
 - ☐ To establish an emergency fund of \$4,000 in 18 months
 - ☐ To pay off credit card bills this year
9. An example of a fixed expense is:
- ☐ clothing.
 - ☐ auto insurance.
 - ☐ an electric bill.
 - ☐ educational expenses.
10. What is commonly considered a flexible expense?
- ☐ rent
 - ☐ a mortgage payment
 - ☐ home insurance
 - ☐ entertainment